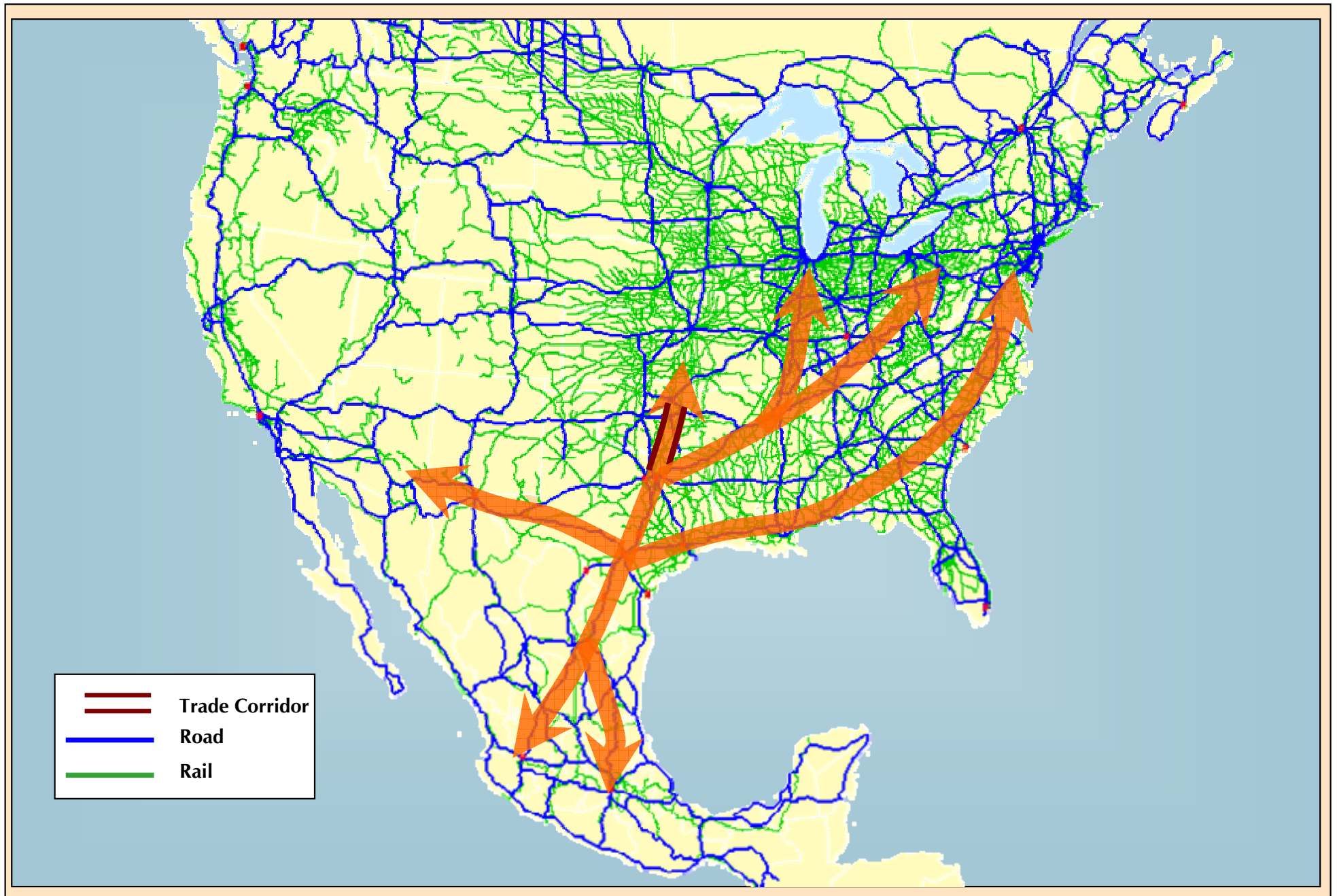


# DEVELOPMENT *of the* MONTERREY - TEXAS SPRINTER FREIGHT RAIL LINK



- ❑ The U.S.A. is the most significant consumer market in the world
  - ❑ Imports of manufactured goods and articles exceed \$250 billion p.a.
- 
- ❑ Notwithstanding the NAFTA agreement China has overtaken Mexico
  - ❑ China's exports vis a vis Mexico's to the USA are:
    - 8 times the value for Computer Peripherals and Products
    - 2 times the value for Household and Kitchen Appliances
    - 3 times the value for Fresh Fish and Shellfish
- 
- ❑ The Logistics infrastructure serving the two countries is a critical element of USA – Mexican competitiveness
  - ❑ Congested border crossings, low rail utilization and security requirements impact the situation
- 
- ❑ The creation of a world class infrastructure as part of the Supply Chain is therefore critical
  - ❑ This must address the “hard” and “soft” needs as part of an overarching solution

# Principal NAFTA Trade Corridors

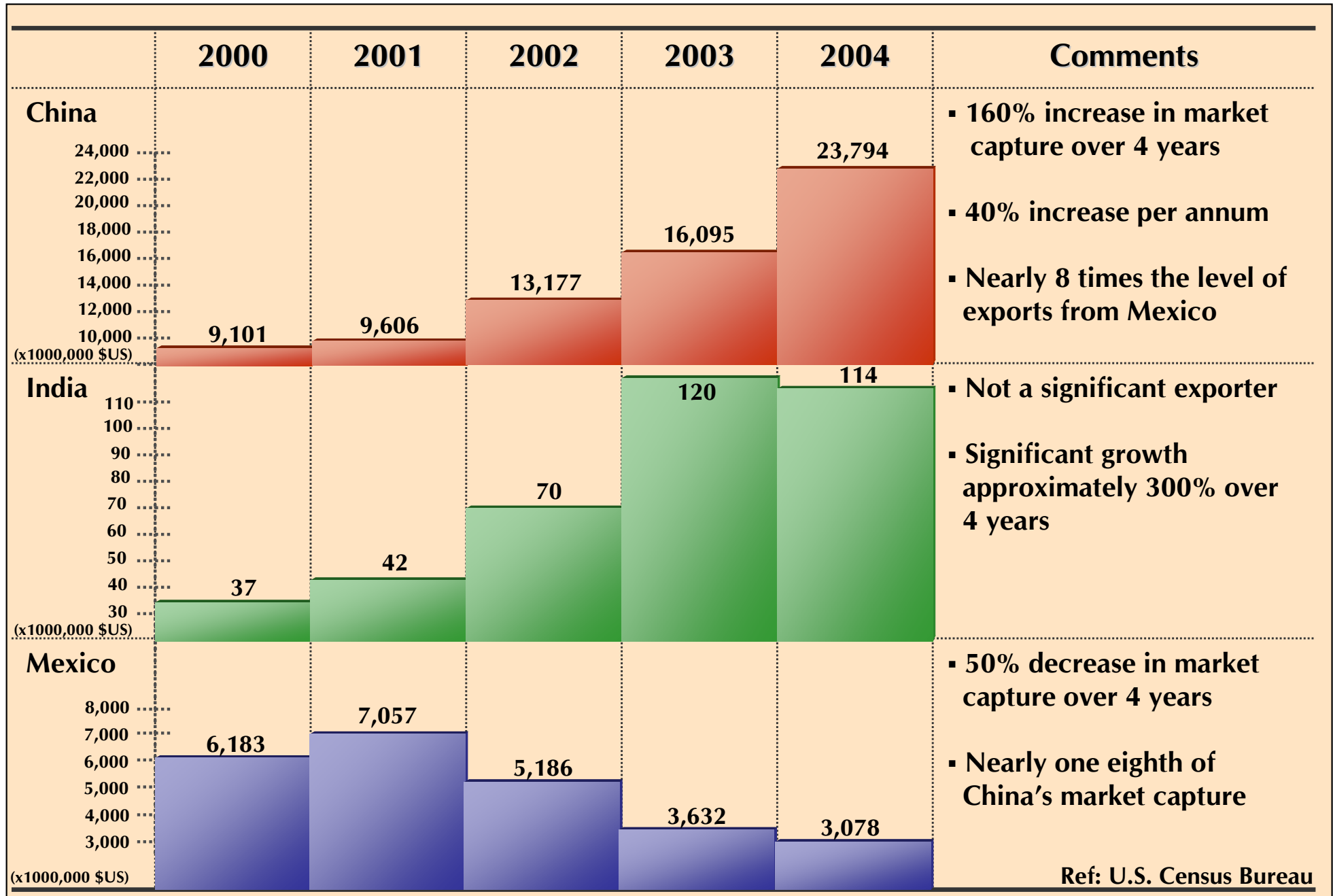


## Value of USA Exports and Imports (year to date July 2005)

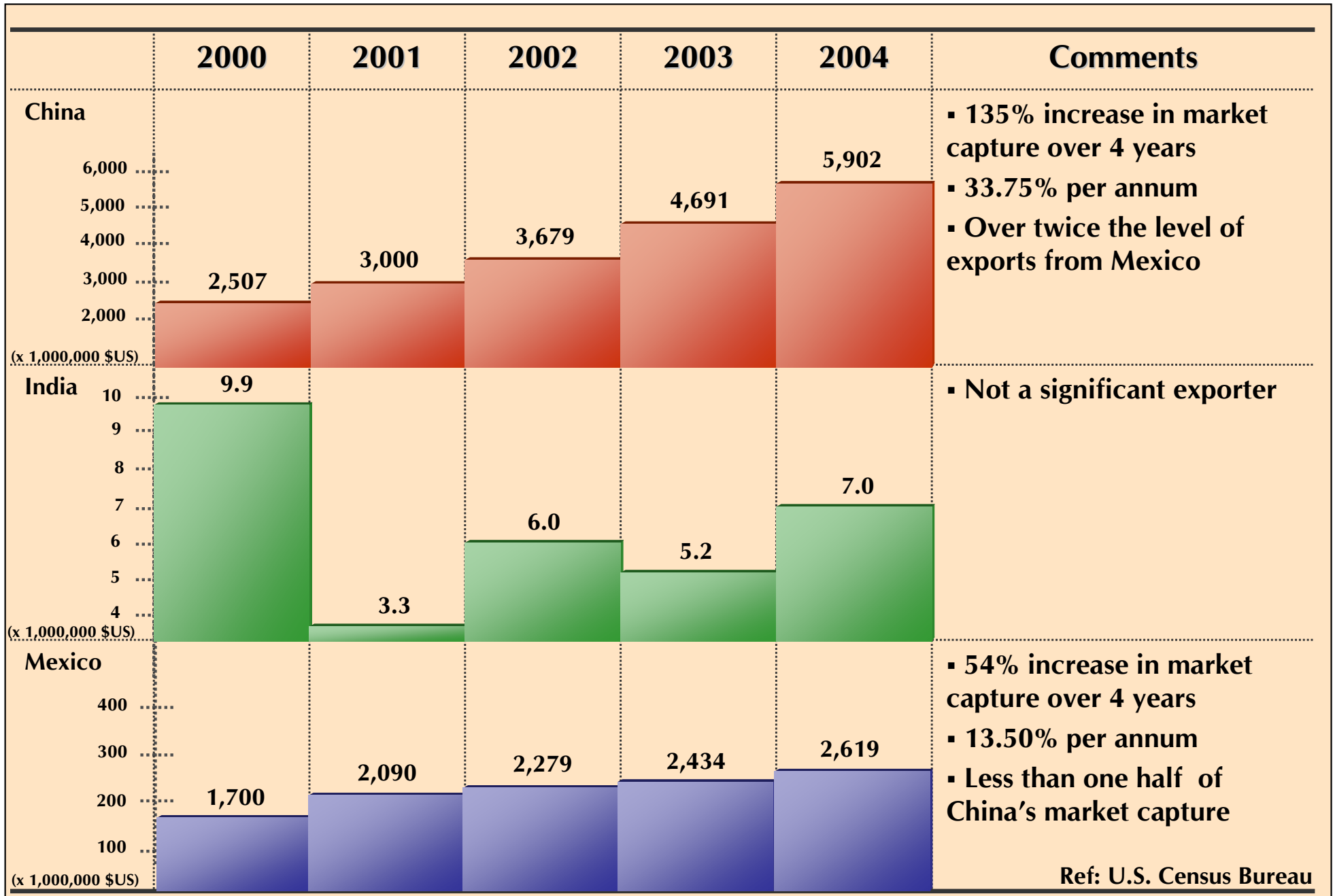
	Food (Site - 0)		Manufactured Goods (Site - 6) by material		Manufactured Articles (Site - 8)	
	Exports	Imports (CIF)	Exports	Imports (Customs Value)	Exports	Imports (Customs Value)
Argentina	347,098	391,496	105,326	396,585	192,796	94,171
Australia	229,378	939,647	538,980	608,327	1,241,155	452,561
Brazil	67,237	955,378	381,608	4,140,565	562,760	1,194,099
Canada	6,157,940	7,100,885	16,533,417	25,102,696	11,903,974	9,206,756
Chile	56,155	1,773,480	168,156	975,249	183,794	69,149
China	616,568	1,647,772	1,751,670	15,676,062	1,634,355	50,374,460
Guatemala	198,811	638,813	301,523	26,121	107,214	1,143,119
Japan	4,509,208	236,749	1,790,567	4,770,080	4,863,936	6,885,657
Korea	1,082,464	140,854	762,124	2,848,246	1,722,515	1,609,847
Mexico	3,695,645	4,460,735	9,913,666	7,903,029	6,355,562	12,641,258
South Africa	57,131	73,794	170,172	2,168,288	202,509	125,297
<b>World</b>	<b>N/A</b>	<b>N/A</b>	<b>50,891,533</b>	<b>110,639,079</b>	<b>58,575,413</b>	<b>144,616,402</b>



# US Imports of Computer Accessories, Peripherals and Parts (Code 21301)

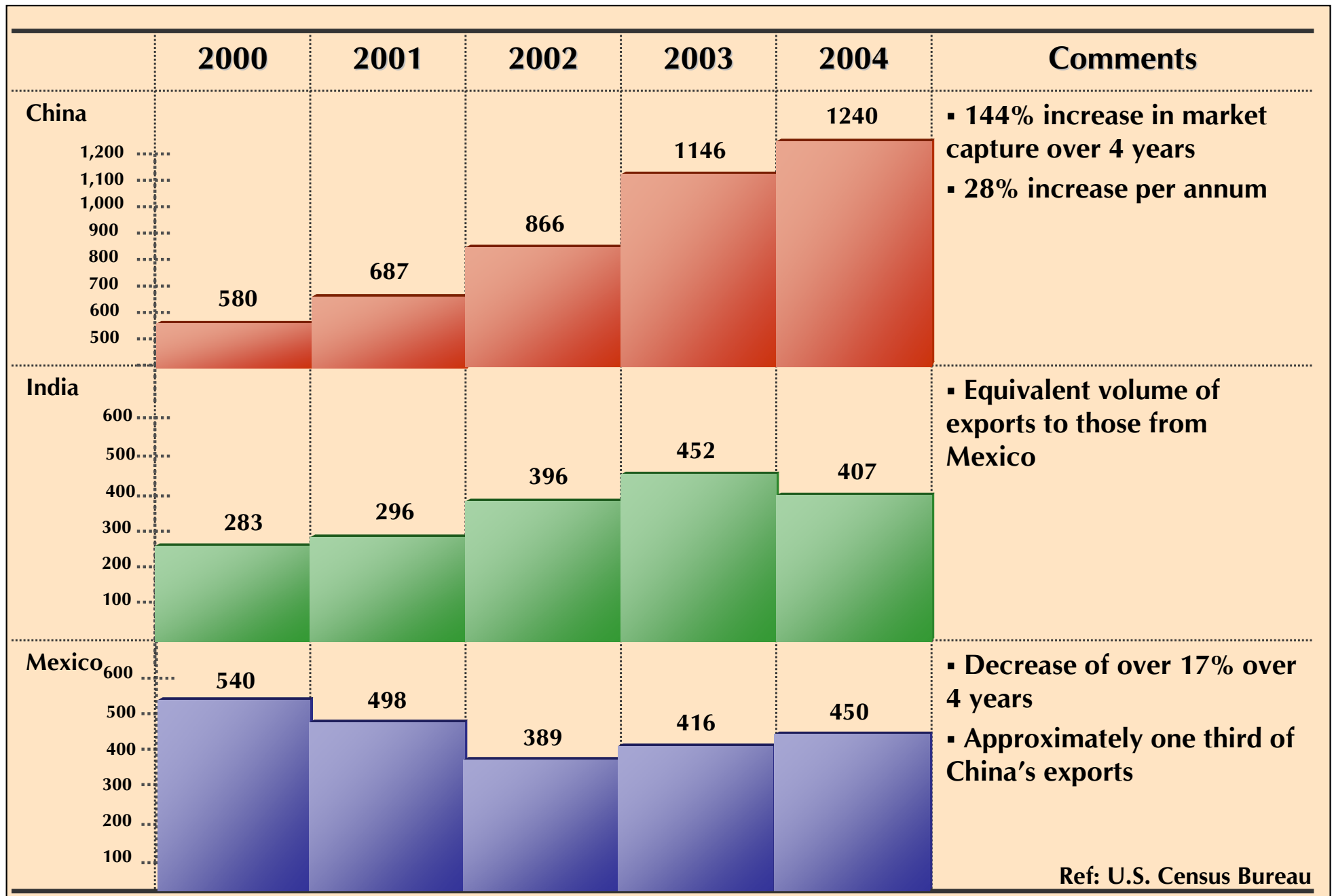


# US Imports of Household and Kitchen Appliances (Code 41030)

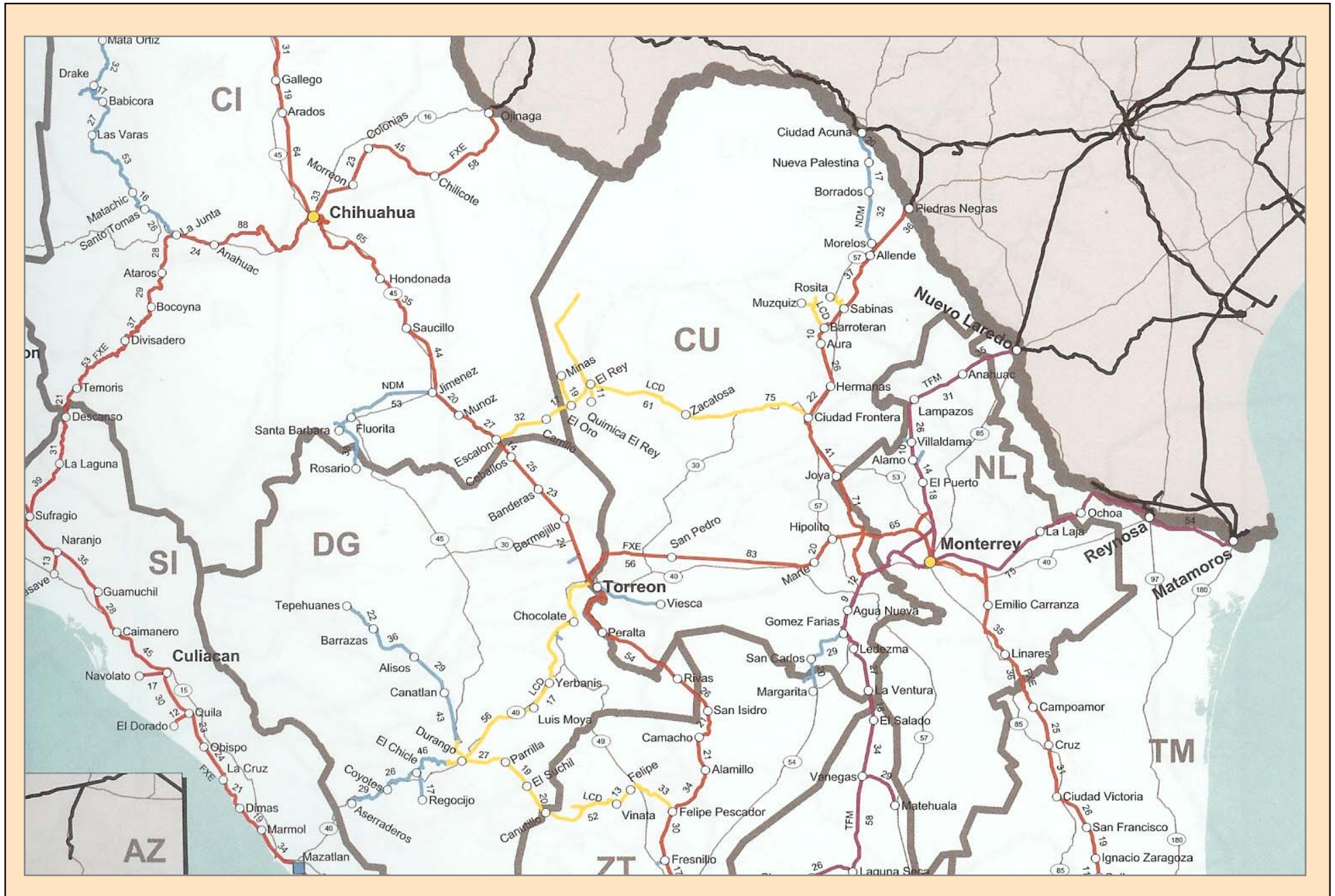


Ref: U.S. Census Bureau

# US Imports of Fish and Shellfish (Code 01000)



# Monterrey – Texas, Existing Road and Rail Connectors



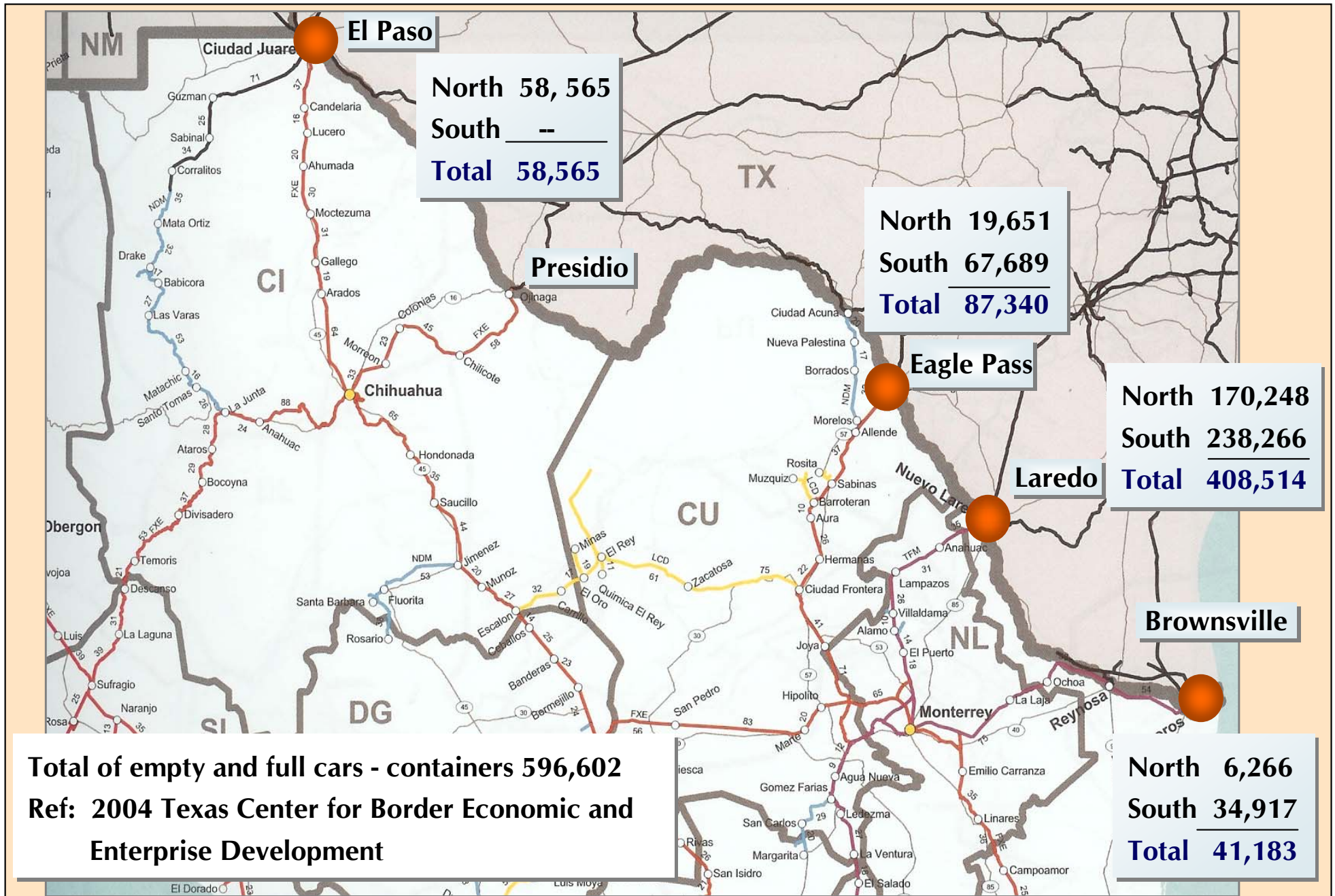


## Sample of Cross Border - Crossings/Entries by Mode

2004 (per annum)	Trains Number	Containers		Trucks Number	Trailers / Containers	
		Full/Loaded	Empty		Full	Empty
LAREDO	3,443 (9.5/day)	195,127	121,934	1,391,850	908,479	443,164
EAGLE PASS	1,653 (4.6/day)	14,616	71,654	100,040	62,850	37,250
BROWNSVILLE	998 (2.76/day)	5,712	92,091	226,289	130,209	99,479
TOTAL	6,094	215,455	285,679	1,718,179	1,101,538	579,893
<b>TOTAL Containers/ Truck Loads</b>	<b>23%</b>	501,134		<b>77%</b>	1,681,431	

- ❑ Note - estimated at movements per annum/12 months p.a./30 days p.m.
- ❑ Reference: Bureau of Transportation Intermodal Database
- ❑ Note - El Paso, not included in sample survey at approx. 2 trains/day
- ❑ Note - Total containers and trailers 2,182,565 units (5.25 million TEUs approx.)

# Existing Levels of Trans Border Rail Movement



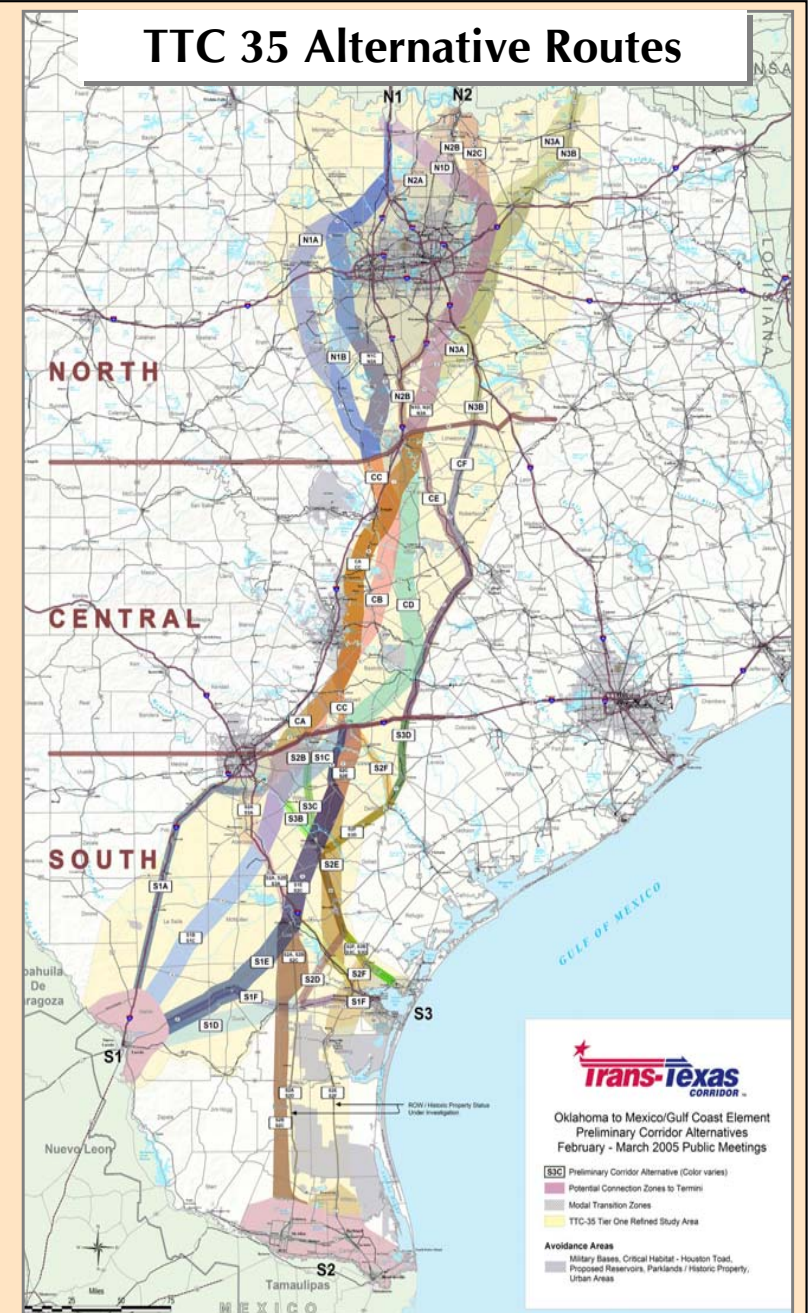




**Globally Competitive Solutions**

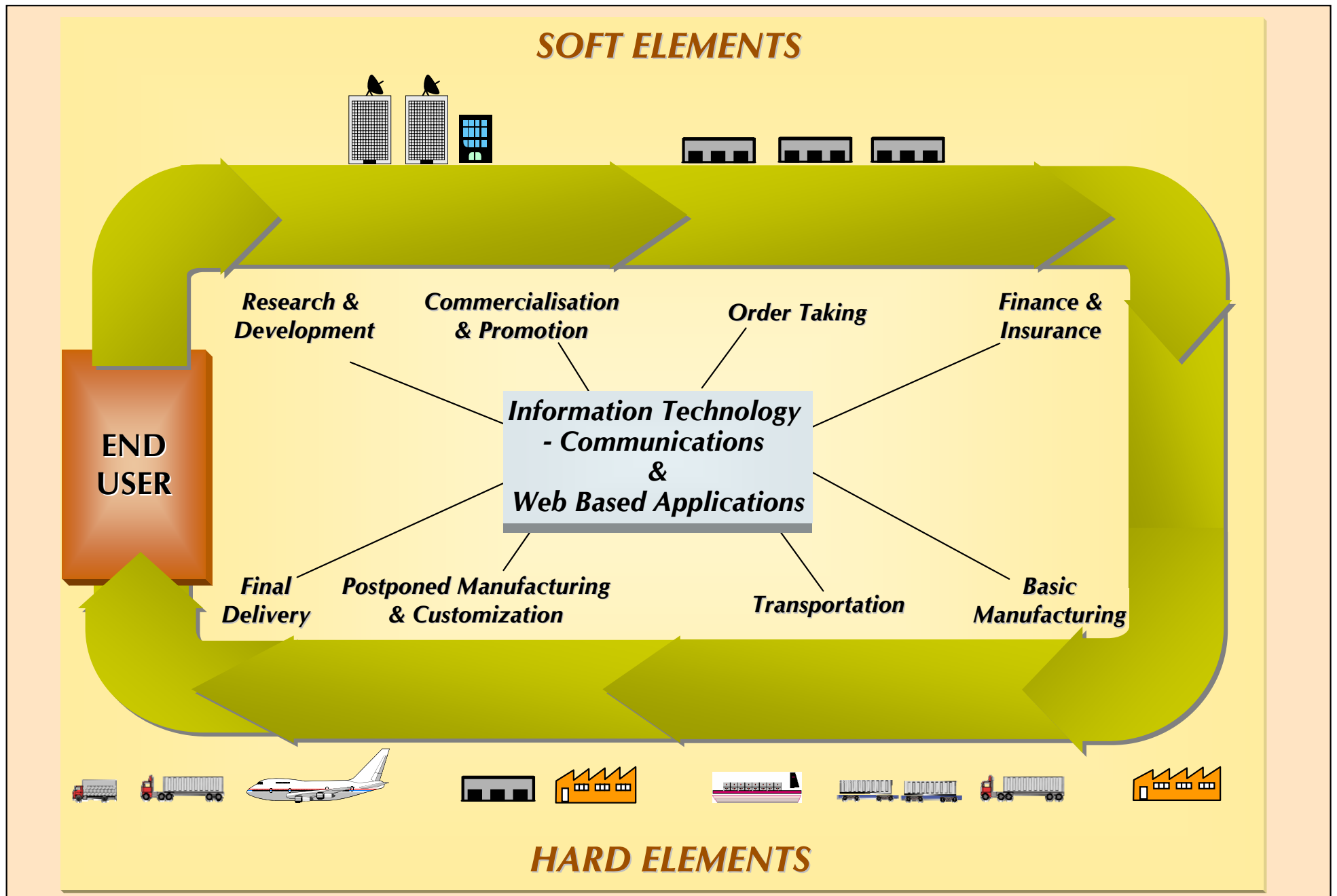
# The Trans - Texas Corridor

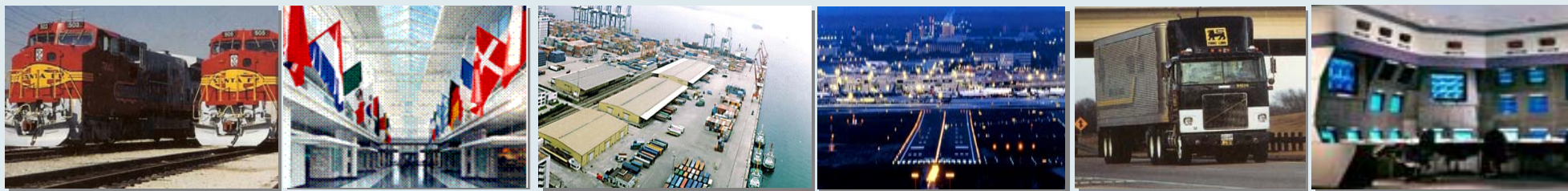
- ❑ Creation of a network of road-rail transportation corridors
  - ❑ Connecting major cities while not flowing through them
  - ❑ Principal corridors include the I-35 and I-69 segments
- 
- ❑ Separate lanes for passengers and trucks
  - ❑ Rail lines for high speed passenger and freight operations
  - ❑ Major utility corridor
- 
- ❑ Innovative funding including public - private sector partnerships
  - ❑ Total Program cost estimated at \$145 to \$180 billion
  - ❑ Initial phase commenced in 2002
  - ❑ Initial development contract for TTC 35 signed in 2005





# The Global Supply Chain – Hard and Soft Elements





# THE SPRINTER FREIGHT RAIL LINK



# Monterrey –DFW Sprinter Rail Link



# The Sprinter Freight Rail Link - Objective

## Competitive Environment

- ❑ Create a world class logistics capability as part of an overarching plan
- ❑ Achieve a more competitive USA – Mexican production, manufacturing and transportation capability
- ❑ Enable enterprises in the fields of agriculture, manufacturing, product development and commercialization to compete with Asia (China)

## Transportation Infrastructure

- ❑ Develop dedicated high speed (sprinter) rail connector between Monterrey and Texas (Dallas-Ft. Worth)
- ❑ Provide significantly improved levels of service, including an overnight capability
- ❑ Create logistics gateway locations, including Villa XXI in Monterrey on both ends of the sprint rail connector

## All Encompassing Approach

- ❑ Address, operational, physical (infrastructure – facilities), social and human resource issues as an all encompassing approach
- ❑ Create multi functional (living, working, recreation) and environmentally friendly solution



# Monterrey to Colombia - Sprinter Rail Connector

Cross Border Locations



Existing Rail Corridors



Monterrey City



Sub Metropolis Oriente



Villa XXI Intermodal Yard -  
Inland Port



Sprinter Rail Connector



Peripheric Rail Connector



- ❑ Mexican rail segment approx.  
200 miles (320 km)
- ❑ Texan segment to DFW approx.  
400 miles (640 km)
- ❑ Total length 600 miles (960 km)

TFM to San Luis Potosi

FMX to  
Piedras Negras  
Eagle Pass

Colombia Rail  
Border Crossing

TFM to Laredo

Sprinter  
Rail  
Connector

Peripheric  
Rail Connector

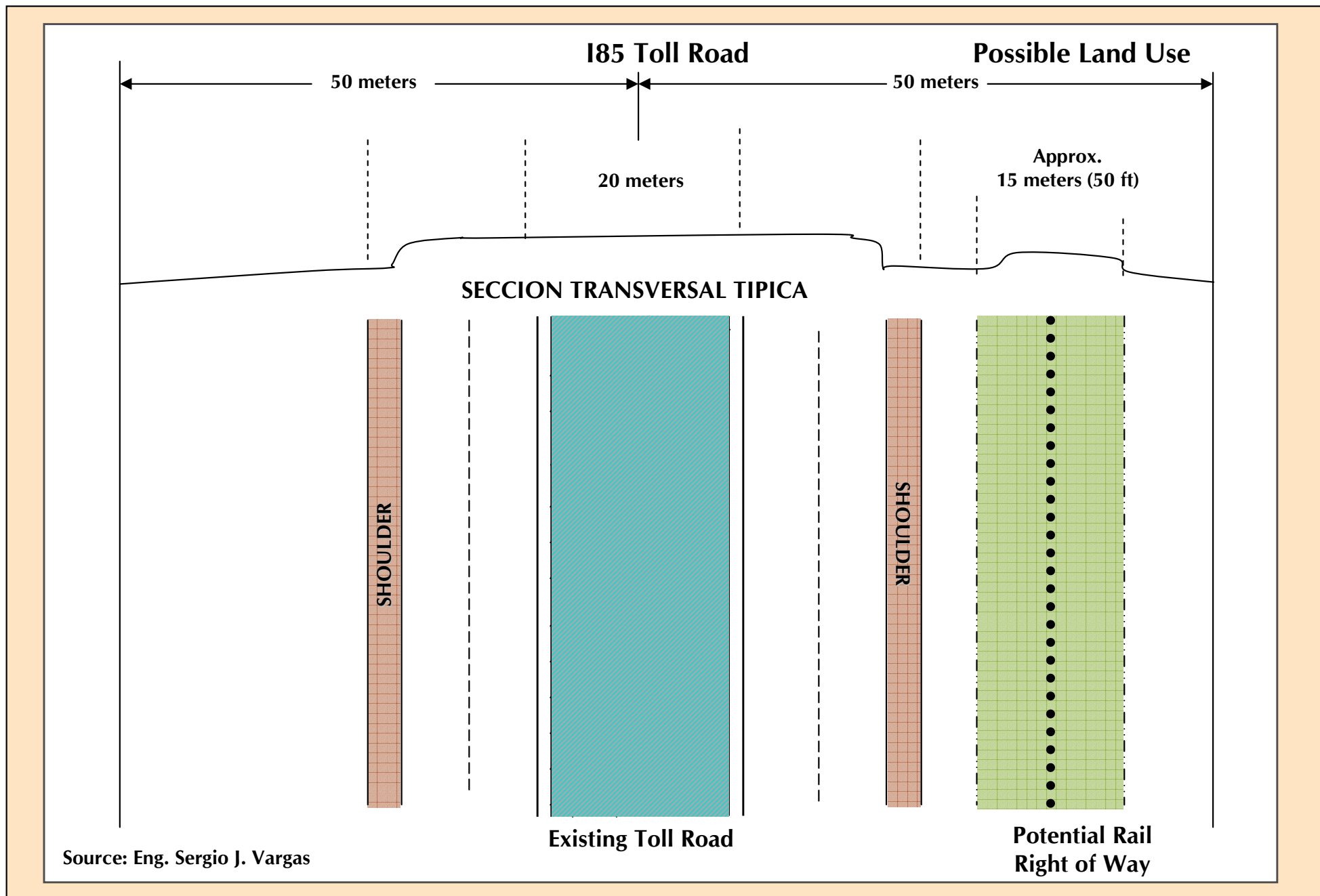
Villa XXI  
Inland Port

FMX to Tampico

TFM to  
Matamoros - Brownsville



# Rail Right of Way - within Toll Road Concession

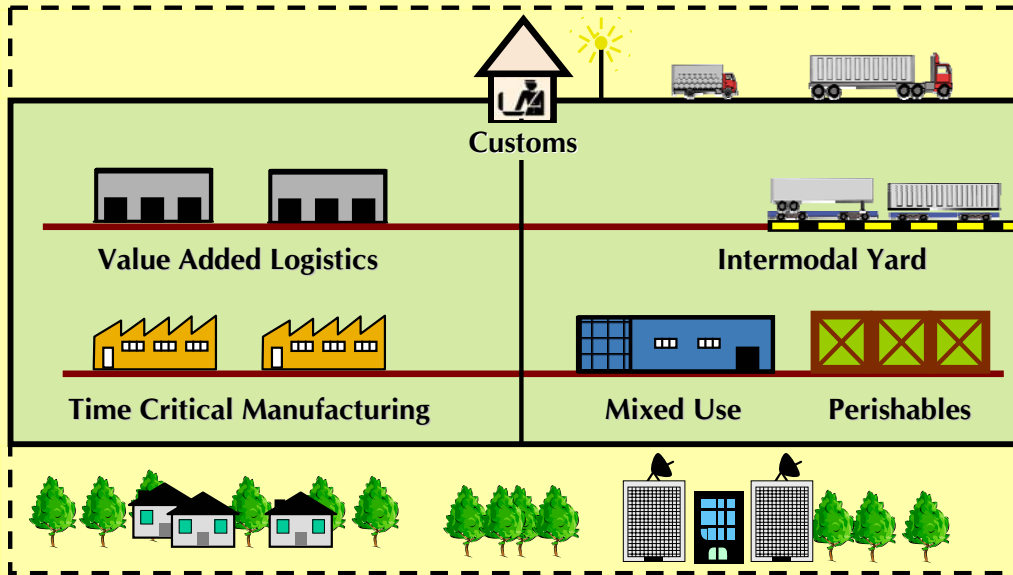


# The Sprinter Freight Rail Link - Operational Characteristics

- ❑ **Twinned Inland Ports in Mexico and the USA incorporating:**
  - a multimodal (air, road, rail) capability
  - secure and bonded operations and functional areas
  - a customs pre-clearance capability
  - Time critical manufacturing and value added logistics activities
  
- ❑ **A dedicated sprinter block train operation incorporating:**
  - single track with passing loops expandable to double track
  - grade separation enabling high speed operations
  - intermodal (TOFC, COFC) including double stack
  - bulk freight operations
  - perishables, reefer handling
  - fast track express freight option
  
- ❑ **Serving adjoining primary and secondary catchment areas**
- ❑ **Providing the basis for a North American Smart and Secure Transportation Network**
- ❑ **Creating centers of excellence focused on increased competitiveness**

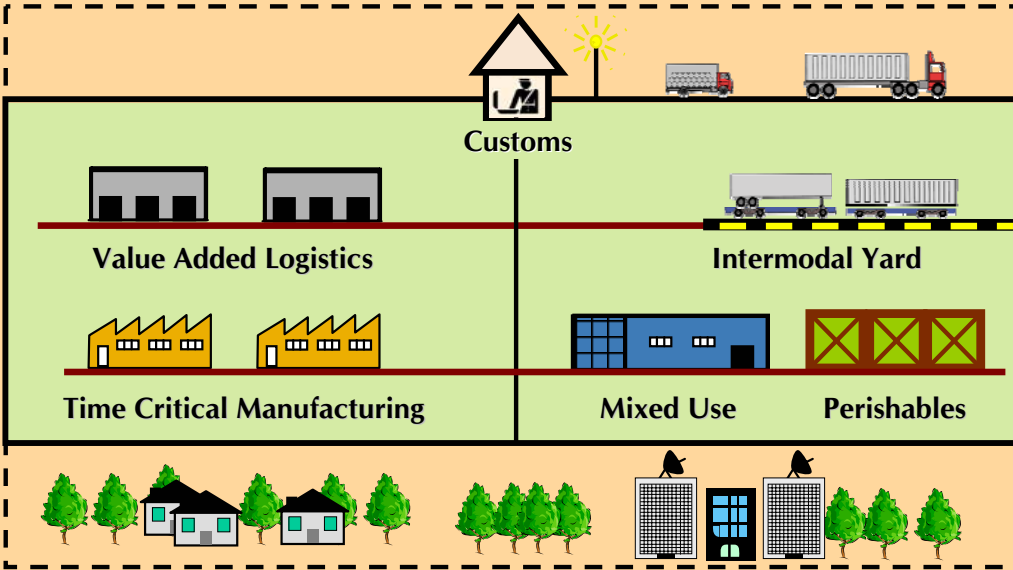
# Twinned Inland Port and Sprinter Land Bridge Characteristics

## *Inland Port and Regional Catchment Area*



Mexico

## *Inland Port and Regional Catchment Area*

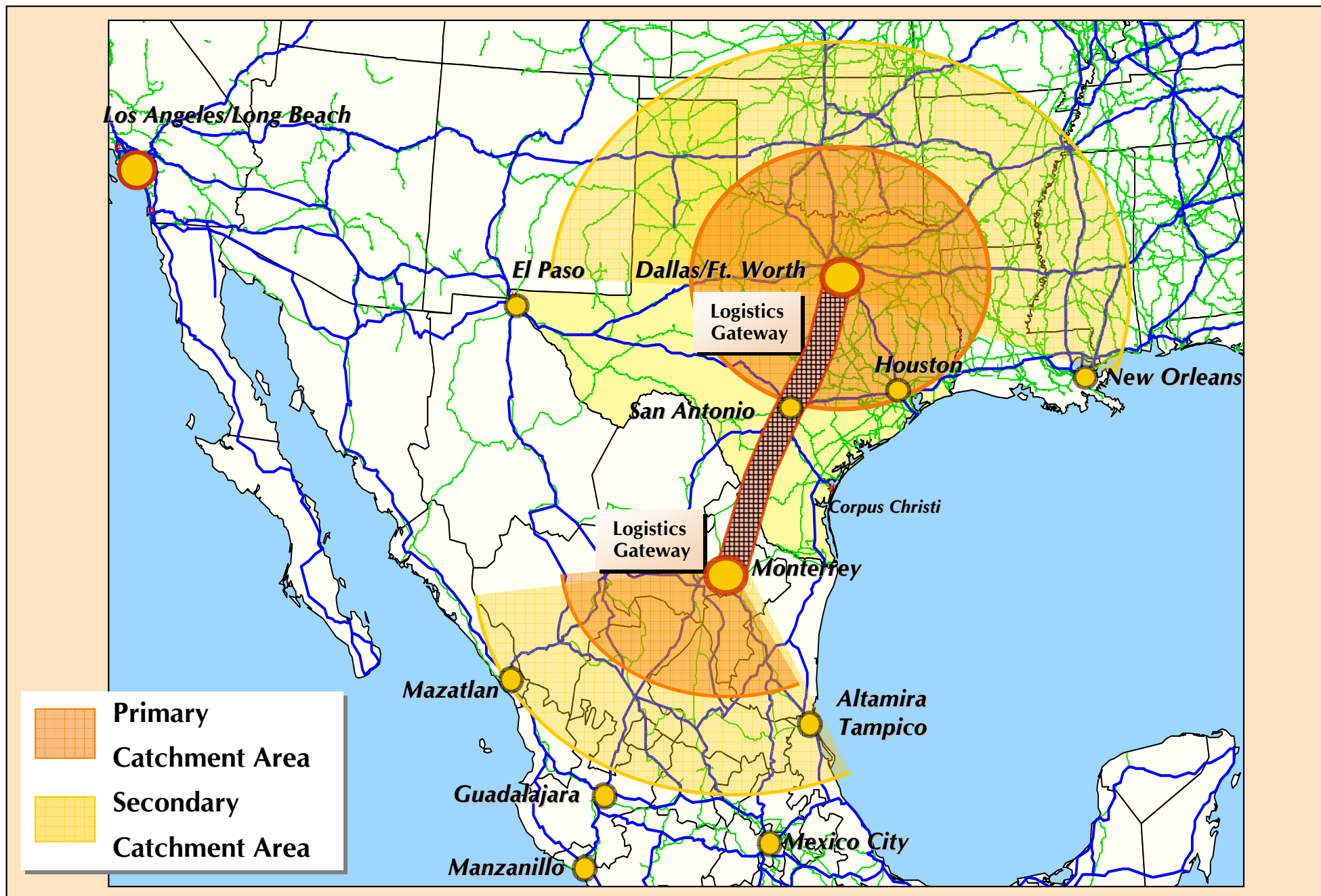


USA

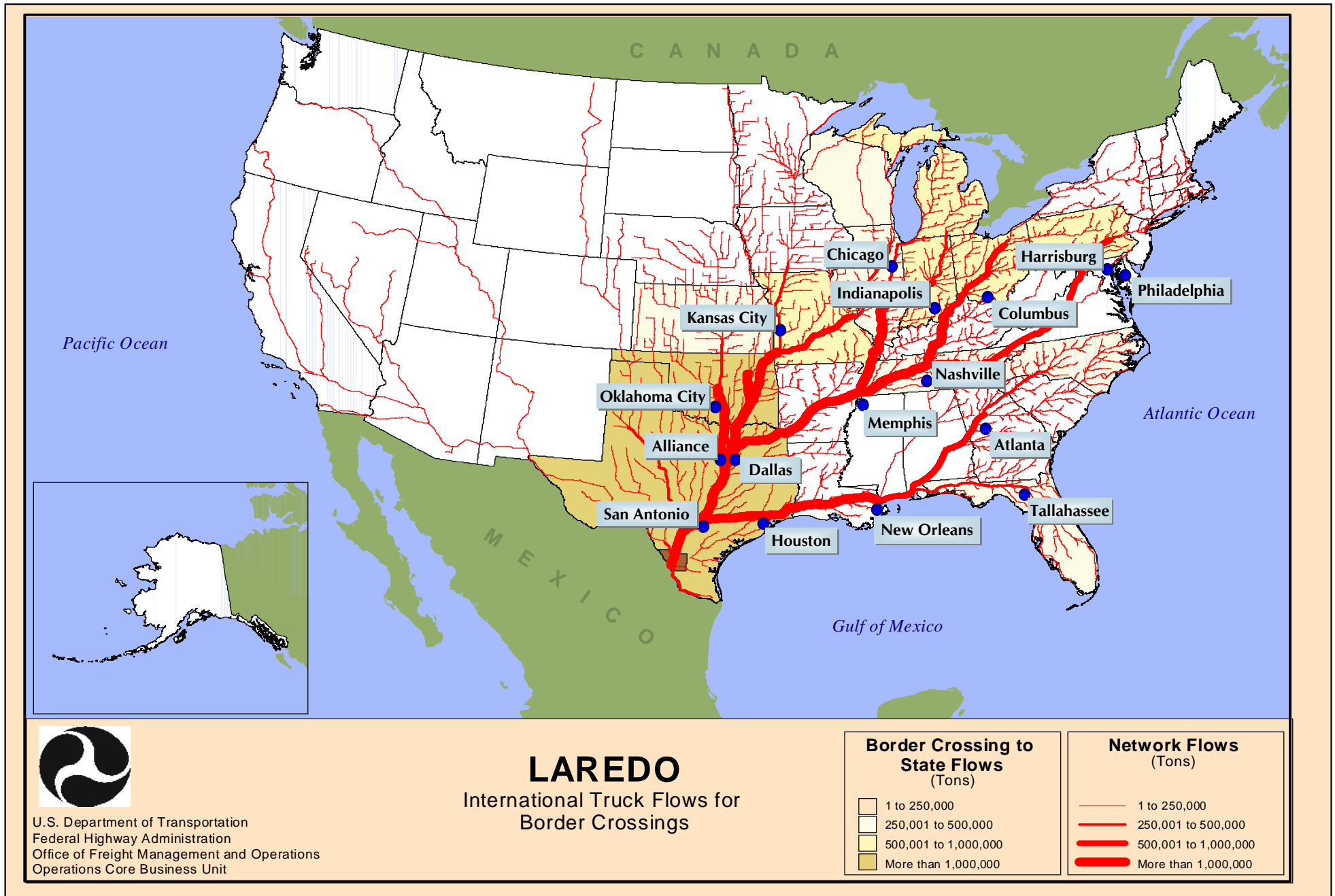
Sprinter Land Bridge (Block-Unit Train)



# Monterrey – Texas, Primary and Secondary Catchment Areas



# Mexico - USA (NAFTA) – Potential Inland - Connector Port Locations



## ❑ PART OF AN INTEGRATED LOGISTICS MASTER PLAN

- Dedicated Sprinter Rail Connector
- Logistics Gateways - Inland Ports
- Value Added Logistics Capability
- Multimodal (Sea - Air - Land) Connectivity

## ❑ PROVIDING WORLD CLASS LEVELS OF SERVICE

- Point to Point Block Train Movement
- High Speed Rail Infrastructure
- Express Freight Movement Option
- Balanced Intermodal and Bulk Operations

## ❑ CONNECTED TO THE TRANS TEXAS CORRIDOR VENTURE

## ❑ PART OF A COLLABORATIVE PUBLIC - PRIVATE SECTOR INITIATIVE